

From: Wayne Hedberg
To: Minerals
Date: 10/9/03 10:50AM
Subject: Results of Geneva Steel Meeting - Iron Mtn Mine (M/021/008)

On October 9, 2003, Doug Jensen and I met with Daniel Jensen, legal counsel (w/ Parr, Waddoups, Brown, Gee & Loveless) for Geneva Steel to discuss the status of their Chapter 11 Bankruptcy filing and our recent 5-yr bond escalation request and 2003 permit fee requirement.

Mr. Jensen explained that Geneva is still actively seeking new partners, additional investor funding and/or a buyer(s) to purchase the steel mill and associated assets as part of the Chapter 11 reorganization. The mill is not producing steel presently and the mine remains inactive. He stated that Geneva was not in a fiscal position to post the additional \$225,000 5-yr escalated surety amount requested at this time. This would require approval from the Creditors Committee & the Bankruptcy Court Trustee, which was very unlikely to occur given the extent of other debts and creditors. We presently have ~ \$1.1 million dollar surety bond in place for the Iron Mtn. Mine that remains in good standing.

Mr. Jensen said he was fairly certain that they could make arrangements to pay the outstanding \$1000 permit fee to keep the Iron Mtn permit valid. Mr. Jensen asked if they could receive an extension of time (~1 year) on posting the additional amount of reclamation surety. I explained the importance of the Division having adequate reclamation surety in place and the concern we had especially with regard to the Chapter 11 filing.

I recommended that he send a formal written request for an extension to the Associate Director, explaining the extenuating circumstances and strongly suggested that they pay the outstanding permit fee as a good faith measure immediately. Mr. Jensen agreed to discuss this with his client and anticipated filing a response within the next couple days.

Please place a copy of this email memo in the mine file (M/021/008).

CC: Mary Ann Wright; Steve Alder

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